Subsidy to private power companies

1097. SHRI SANJAY RAUT: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that some private power companies have demanded subsidy and concession etc. for participating in Ultra Mega Power Projects; and

(b) if so, the details thereof and Government's response thereto?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) and (b) Yes, Sir. The following suggestions have been made by the industry leaders:

(i) A suitable framework to be evolved for granting Mega Power Project status and corresponding fiscal benefits to Ultra Mega Projects.

(ii) Debt equity ratio considered for Ultra Mega Power Projects could be higher than 70:30 as this would have a positive impact on the tariff.

(iii) Matter regarding sectoral cap on exposure for each sector in term of funding to be taken up with RBI so as to facilitate funding of Ultra Mega Power Projects.

(iv) Some States were charging a tax on auxiliary consumption which needs to be exempted for Ultra Mega Power Projects in addition to sales tax exemption.

(v) Section 80IA and Section 10(23) (G) of Income Tax Act 1963 must be applicable for Ultra Mega Power Projects.

The suggestions of IPPs have been noted for consideration.

Completion of Suban City Lower and Tista-V Power Projects

†1098. SHRI HARISH RAWAT: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Suban City Lower Project in Arunachal Pradesh and Tista-V Project in Sikkim is being constructed by the Alsthom and Jaiprakash Association Companies respectively;

† Original notice of the question was received in Hindi.

(b) if so, the reasons for the delay in the construction of said projects; and

(c) if not, the details thereof?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) to (c) Approval of the Government of India was conveyed on 9.9.2003 for implementation of the Subansiri Lower Hydroelectric Project (2000 MW) in Arunachal Pradesh in the Central Sector by National Hydro-electric Power Corporation Ltd. (NHPC). The project is scheduled for commissioning in September, 2010. The electrical and mechanical works have been awarded by NHPC to a consortium of M/s. Alstom Hydraulique, France and M/s. Alstom Projects India Ltd. The civil works of dam/barrage and water conductor system have been awarded to joint venture of M/s. Boguchangesstroy (BGS)-M/s. Soyuzgidgridrospetsstroy (SGS) and M/s. Soma Enterprise Limited. M/s. BGS and M/s. SGS are Russian companies and M/s. Soma is an Indian company.

Though the start of the work was delayed due to non-availability of forest land, all efforts are being made to complete the project within the approved schedule, i.e. by September, 2010.

The Teesta-V Hydro-electric Project was approved on 11.02.2000 for implementation in Sikkim in the Central Sector by NHPC for completion in 84 months, i.e. by February, 2007. Following contractors are executing the works of the project :

(i) M/s. J.P. Associates Ltd.	:	Power House and Dam works.
(ii) M/s. Gammon India Ltd.	:	Head Race Tunnel.
(iii) M/s. Texmaco Ltd.	:	Hydro Mechanical Works.
(iv) M/s. Mitsui & Co., Japan	:	Electricial & Mechanical Works.
(v) M/s. Patel Engg. Ltd.	:	Diversion tunnel.

The civil works of dam, surge shaft de-silting chambers and head race tunnel are in progress. The erection of electro-mechnical equipments is also in progress. NHPC is making all efforts to complete the project within the approved schedule, i.e. by February, 2007.